



Department of Justice

FOR IMMEDIATE RELEASE
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AT
(202) 616-2771
TDD (202) 514-1888

**FORMER DAIRY MANAGER CHARGED WITH BID RIGGING
ON SCHOOL MILK CONTRACTS IN ILLINOIS AND IOWA**

WASHINGTON, D.C. -- A former dairy manager of a Borden Inc. subsidiary was charged today with conspiring to rig bids on dairy products sold to schools in western Illinois and eastern Iowa, according to the Department of Justice's Antitrust Division.

To date, 63 corporations and 57 individuals have been convicted and about \$60 million in fines have been imposed in cases involving the rigging of bids in supplying dairy products to public school districts.

According to charges filed in U.S. District Court in Peoria, Illinois, W. Francis Cummins of Springfield, Illinois, discussed anticipated bids for school dairy contracts with competing dairies. Cummins is a former manager for Meadow Gold Dairies Inc., a subsidiary of Borden Inc.

The Department said Cummins, who was involved in the conspiracy from 1986 until the 1989-90 school year, intentionally submitted high bids on some contracts to help the other conspirators win school dairy contracts.

(MORE)

Since July 1992, the Antitrust Division has brought five criminal milk bid rigging cases against Meadow Gold. Meadow Gold pleaded guilty in all five and has paid a total of almost \$4 million in fines and penalties for its involvement in the criminal bid rigging conspiracies.

The investigation, which is continuing, is being conducted by the Antitrust Division's Chicago Field Office with the assistance of the U.S. Attorney from Springfield, Illinois, Frances C. Hulin; the Federal Bureau of Investigation's St. Louis office; the Missouri Attorney General, Jeremiah (Jay) Nixon; the Illinois Attorney General, Roland W. Burris; and the Great Plains Regional Office of the U.S. Department of Agriculture's Inspector General office.

Thus far, twenty-seven individuals have been sentenced to serve an average of approximately six months imprisonment in cases involving the supply of dairy products to public school districts. Civil damages total approximately \$8 million. Seventeen grand juries in 14 states continue to investigate the milk industry.

The maximum penalty for an individual convicted under the Sherman Act for a violation occurring before November 16, 1990, is three years imprisonment and a fine not to exceed the greatest of \$250,000, twice the pecuniary gain the individual derived from the crime or twice the pecuniary loss caused to the victims of the crime.

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